



**CALIFORNIA
HIGH-SPEED RAIL
AUTHORITY**

BRIEFING: MAY 2010 MEETING AGENDA ITEM #6

TO: Chairman Pringle and Authority Board Members

FROM: Carrie Pourvahidi, Executive Director

DATE: May 6, 2010

RE: Agenda Item 6 - Federal Railroad Administration (FRA) – PRIIA Funds

Discussion

The Federal Railroad Administration (FRA) began accepting applications on March 31, 2010 for \$115 million in planning and construction project funds for high-speed intercity passenger rail (HSIPR), complementing President Obama's \$8 billion down payment to enhance passenger rail in America. This solicitation makes available \$50 million in planning project funds appropriated under the FY 2010 DOT Appropriations Act, and approximately \$65 million in residual construction project funds appropriated under the FY 2009 DOT Appropriations Act. Earlier this year, California was fortunate to receive approval of \$2.37 billion in HSIPR applications, including \$2.25 billion of Track 2 funding for Phase 1 of the Authority's California High-Speed Train Project (CHSTP).

FY 2010 Planning Grants

Authority staff has reviewed the funding needs of the CHSTP in FY 2010-11 and has identified a shortfall in Phase 2 project funding. Currently only \$9.25 million of Proposition 1A funds have been allocated in the 2010/2011 Governor's Budget (pending budget approval) for the planning, environmental, and preliminary engineering of the three Phase 2 sections – from Los Angeles to San Diego, Merced to Sacramento, and the Altamont Corridor Rail Project. The effect of this funding shortfall will slow down and delay the preparation of the Draft Environmental Documents and Preliminary Engineering in all three sections.

Staff recommends preparing and submitting three HSIPR Planning Grant applications that would provide sufficient supplemental funding to allow work in each of these sections to proceed without delay in FY 2010-11. Under the guidelines of the current solicitation, the federal

government offers to fund up to 80% of the cost of the work. Authority staff's recommendation would be to request approximately 68% federal funding, with an approximate 32% Prop 1A matching share.

These applications would cover planning, environmental, and preliminary engineering work between July 1, 2010 and June 30, 2011 estimated to cost \$29.25 million (\$20.0 million from FRA and \$9.25 million from Prop 1A), allocated as follows:

	Federal Share (\$ in Millions)	Local Share (\$ in Millions)	Total (\$ in Millions)
Los Angeles-San Diego	\$8.0	\$3.70	\$11.70
Merced-Sacramento	\$6.0	\$2.80	\$8.80
Altamont Corridor Rail Project	<u>\$6.0</u>	<u>\$2.75</u>	<u>\$8.75</u>
Total	\$20.0	\$9.25	\$29.25

Board Recommendation

Staff requests approval and direction to proceed with preparation of detailed grant applications as required by the FRA solicitation.